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8 IN THE UNITED STATES DISTRICT COURT  
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
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11 JODY GLIDDEN et al.,

No. C 04-04913 CRB

12 Plaintiffs,

**ORDER**

13 v.

14 SKILLSOFT PLC et al.,

15 Defendants.  
16 \_\_\_\_\_/

17 Now before the Court are defendants' Motion to Compel Arbitration and, in the  
18 alternative, Motion to Dismiss the First Amended Complaint. As the Court stated in open  
19 court at the hearing on October 28, 2005, the Court rules as follows:

20 1. The Motion to Compel Arbitration is DENIED.

21 2. The Motion to Dismiss is GRANTED in part and DENIED in part.

22 Defendants' motion to dismiss the negligent misrepresentation claims is DENIED.

23 Defendants have not established that they did not intend for plaintiffs to rely on financial  
24 statements which defendants provided directly to plaintiffs to induce them to sell. The cases  
25 cited by defendants all involve open market purchasers, not persons who negotiated directly  
26 with the persons making the false statements.


27 Defendants' motion to dismiss the "holding" claims is GRANTED with leave to  
28 amend. Plaintiffs must provide more specifics, such as the number of shares they held, the

1 number sold, exactly when sold and why, and exactly when they would have sold. Plaintiffs  
2 must also allege that they reviewed the material they claim they relied upon.

3 Defendants' motion to strike the demand for "benefit of the bargain" damages is  
4 GRANTED in part. The Court holds that California Civil Code section 3343 applies to this  
5 case and it is not limited to real property transactions. To the extent this ruling may address  
6 whether any exceptions to the application of section 3343 apply here, the Court makes no  
7 determination.

8 **IT IS SO ORDERED.**

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11 Dated: October 28, 2005

  
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CHARLES R. BREYER  
UNITED STATES DISTRICT JUDGE

United States District Court

For the Northern District of California